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11 August 1986

MEMORANDUM FOR: Policy Group

FROM:

Chairman, Working Group

STAT

SUBJECT: Working Group Recommendations for Automation-
In-house Retirement Administration

The Working Group recommends a long-term and short-term automation approach to the in-house administration of retirement.

It is the Working Group's position that the retirement administration issue affords the Agency the optimum timing and justification for modifying the current system and developing a Corporate Data Base environment.

To meet the directives of the new legislation and the Working Group's perception of managements desire to have total in-house administration by early 1987, the Working Group proposes to develop the following interim procedures unless otherwise directed. Note that function number 5 is not a consensus of the group.

FUNCTION	ADDITIONAL RESOURCE REQUIREMENTS
1. OP in coordination with OF will develop new PERSIGN Coding to depict new retirement options.	None
2. OF-develop payroll system specifications to withhold and report deductions for FICA, med tax, FERS and Thrift Plan	None
3. OIT-modify system to the specifications prescribed by OF.	None
4. OP and OF will develop a manual system to transmit thrift election and deduction data between the two offices.	2 F/T - OP 1 F/T - OIT(Keypunch)

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5. OIT and OF will replicate the pay CIARDS (Feb 87) to facilitate payment of CSRS retirees and for death and disability FERS cases. Item 5 is an interim solution and can be accomplished to afford the Agency ample time to design and implement a CSRS/FERS annuity payment system.
*2 F/T - OF
1 F/T - OIT
6. OP & OF will establish manual process for computing benefits and transferring data from OP to OF for payment.
3 F/T - OP(& office
1 P/T - OPspace)
*2 F/T - OF
7. OIT will develop software to compute annuity supplement
Task in Testing

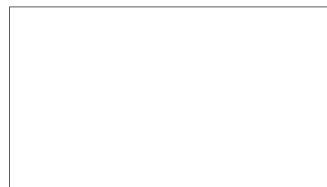
The development of the additional functions outlined in the working paper submitted to the Policy Group on 1 Aug 1986 will continue and have no additional resource implications.

The Working Group now has no plans to develop a stand alone Thrift Plan as the law only dictates that by 1 January 1987 the Agency has the capability to make Thrift deductions which will be accomplished in Function 2. The Thrift package will be included in the "Corporate Data Base" concept as well as the total automation of Retirement Division and modification of PERSIGN.

The above scenario serves to accomplish several objectives. The Agency will have met the dictates of the new legislation, managements' desire to process retirees in-house, minimal resource requirements and adds the retirement functions to the long range plan to implement the "Corporate Data Base" environment.

The Working Groups' long term plan for developing and implementing the "Corporate Data Base" is outlined in the attached "Retirement Plan Requirements Definition Project," a preliminary list of companies to be evaluated is also attached. Specific requirements for these companies to evaluate are being developed. The Group cannot provide cost estimates or a tentative implementation date at this time. The Group intends to aggressively pursue this corporate concept and believes a work plan for implementing a new retirement and thrift program can be submitted to the Policy Group within 90 days.

The Working Group looks forward to the Policy Group's and managements comments on the above.



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